

**U.S. Small Business Administration
West Virginia District Office**

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2006 Top SBA Lenders Race Comes "Down To The Wire"

WOW! What a finish! There were several lenders that made quite a push at the end of the fiscal year to grab the top SBA lender award, and the winners are:

Coming out on top in the **Community Bank** category (less than \$500 million in assets) is First State Bank with 17 approvals for \$4 million. BB&T made an amazing charge to claim the top **Large & National Bank** (over \$500 million in assets) category with 21 approvals for \$1.8 million. And, in the **CommunityExpress** category, and top overall lender with 63 approvals, was Innovative Bank.

During FY 2006, the WVDO provided 281 loan guaranties for over \$40.4 million. That's a 7 percent increase in total loans and a 23 percent increase in the dollar amount over FY 2005. A 27 percent increase in the utilization of the SBAExpress program was one of the keys in the overall growth of numbers and dollars.

The increases can be construed as a direct reflection of the confidence which entrepreneurs have in the economy. Small businesses are the driving force behind the economy; they transform communities, create jobs, and enable dreams to be realized. The SBA's number one priority is to provide small businesses the capital they require to succeed through our valuable lending resource partners.

The increases are also a direct reflection on the lending community, their commitment to small businesses, and their confidence in SBA's loan programs. It is these lending partners who have made a concerted effort to utilize the SBA loan guarantee program that are truly responsible for our record increases the past few years. There were 30 lending institutions which increased their 2006 SBA loan production from the prior year and we would like to extend our thanks to each and every one of them for having the confidence not only in the SBA, but the local small businesses community.

In addition to the lenders mentioned above, other top lenders this past year include: Superior Financial Group with 19 loans; JP Morgan Chase with 18 loans; Huntington Bank and Business Loan Center with 17 loans; Capital One with 15 loans; and Freedom Bank with 13 loans.

The top lenders in the three categories will receive special recognition during our annual Small Business Week Awards Banquet scheduled for May of 2007.

And the RACE is on for 2007! Let's make it a banner year for not only SBA lending, but for providing the West Virginia business community with the means to obtain that all important access to capital.



2007 Active Lender Report

To keep you apprised of the top lenders for FY 2007, the following is a breakdown of the lenders per category as of December 31, 2006.

Community Banks (less than \$500 million in assets)

1. The First State Bank – 5 approvals for \$412K
2. 6 lenders with 1 approval

Large & National Banks (more than \$500 million in assets)

1. Huntington Banks – 10 approvals for \$1.5M
2. BB&T – 5 approvals for \$752K
2. JP Morgan Chase – 5 approvals for \$338K
2. M&T Bank – 5 approvals for \$225K
2. Capital One – 5 approval for \$180K

CommunityExpress Lenders

1. Superior Financial Group – 20 approvals for \$170K
2. Innovative Bank – 13 approvals for \$225K

The WVDO is available to provide your commercial loan division with assistance and training to enable you to increase your SBA-guaranteed loan volume. Please contact David Manley (email: david.manley@sba.gov) at (304) 623-5631, ext. 231 with any questions you may have regarding SBA loan packaging or if you would like to set-up specific training.

Lender Training Coming to Your Area

Plans are being made now for the continuation of the lender training sessions for FY 2007. These sessions will consist of instruction on SBA loan programs, including 7(a), SBAExpress and 504, and the services provided by the Small Business Development Center. It is a great opportunity for both new and experienced SBA lenders to learn about SBA lending procedures. It is also an excellent forum to receive answers regarding SBA policies and procedures as well. The tentative schedule is as follows: March 14 – Martinsburg; March 21 – Huntington; March 27 – Fairmont; April 12 – Morgantown; April 26 – Wheeling; May 10 –



Parkersburg; May 16 – Flatwoods; August 14 – Charleston. Specific details and contact information will be forthcoming. Stayed Tuned!

Changes to 504 and 7(a) On-Going Fees

SBA Notice 5000-994 announced revised ongoing fees for both the 504 and 7(a) loan programs for loans approved during FY 2007. These fees are imposed under Section 503(b)(7) of the Small Business Investment Act and Section 7(a)(23) of the Small Business Act, respectively. These ongoing fees, plus the other fees paid to SBA, are designed to keep each of these lending programs at a zero subsidy rate. At this time there are no changes to any of the other fees payable to SBA in either the 504 or 7(a) programs.

504 Loan Program

For 504 loans approved on or after October 1, 2006, the “ongoing guarantee fee” paid by borrowers to SBA will be 0.018 percent (1.8 basis points) of the outstanding balance of the 504 loan.

7(a) Loan Program

For 7(a) loans approved on or after October 1, 2006, the “yearly fee” due from participants to SBA will be 0.55 percent of the guaranteed portion of the outstanding balance on the 7(a) loan. In the 7(a) Authorization Wizard this is referred to as the “ongoing service fee.”

This notice will be posted on the West Virginia Financing web page at www.sba.gov/wv/WV_FINANCING.html.

SBA Information Notices 5000-1008 and 5000-1009 announced the release of Version 2007 of the 7(a) and 504 Boilerplate and Wizard.

The new versions are available to Lenders and CDCs by going to the “Banking” website at www.sba.gov/banking. Lenders and CDCs will have until February 5, 2007 to convert to this new version.

Questions regarding the 7(a) Authorization should be submitted to the 7(a) Authorization e-mail box at auth-7a@sba.gov. Questions regarding the 504 Authorization should be submitted to the 504 Authorization e-mail box at Auth-504@sba.gov.

Notices 5000-1008 and 5000-1009 will be posted on the West Virginia Financing web page at: www.sba.gov/wv/WV_FINANCING.html.

Customers Need Fixed-Asset Financing? Try SBA's 504 Loan Program

SBA's 504 Loan Program provides long-term, fixed-rate, subordinated financing for acquisition and/or renovation of capital assets, including land, buildings, and equipment. With 504 financing, the typical financial structure consists of 10% from the borrower, 50% from the commercial lender, and 40% from the Certified Development Company (CDC). The CDC portion is provided by 100% SBA guaranteed debentures.

If you have a commercial customer needing funding to build or purchase fixed assets, consider SBA's 504 Loan Program. There are three CDC's authorized to operate in West Virginia. For more information, please contact one of the CDC's listed below. These organizations specialize in packaging 504 loans and will manage the entire process to make sure it goes smoothly.

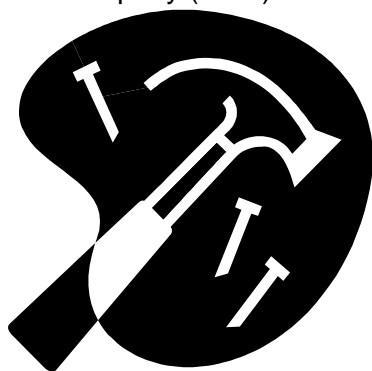
Business Finance Group (authorized in Eastern Panhandle) – (703) 352-0504
Regional Economic Development (RED) Partnership (authorized Statewide) – (304) 232-7722

West Virginia Certified Development Corporation (authorized Statewide) – (304) 558-3691

2007 Schedule of 1502 Report & Due Dates for 7(a)

SBA Notice 5000-598 provides a schedule of payment due dates for lenders.

Paragraph 6 of SBA Form 1086, states that payments are due at the Fiscal and Transfer Agent (FTA) on the third calendar day of the month, or the next business day if the third is not a business day. The SBA allows a grace period of two business days after the due date. If FTA receives a regularly scheduled payment after the expiration of the grace period, a Late Penalty is assessed (subject to a maximum of \$5,000). Paragraph 6(c) of SBA Form 1086 describes the components of the Late Penalty. Lenders are billed for Late Penalties at the end of each



month. Late Penalties are due to Colson (FTA) with the Lender's next monthly remittance.

Listed is a schedule of final due dates, which include the grace period of two business days for regularly scheduled payments. Payments received after the final due date will be subject to the Late Penalty.

2007 Dates

January 5, February 7, March 7, April 5, May 7, June 6, July 6, August 7, September 6, October 5, November 7, December 5

Questions regarding Notice 5000-998 may be directed to Jihoon Kim at (202) 205-6024. Questions concerning specific Late Penalties that have been charged to lenders should be directed to Larry Packer of Colson Services at (718) 242-6657 or email packerl@colsonservices.com.

Lender Web Updates

To keep our lenders and resource partners informed of current news-worthy items, we have created a "For SBA Lenders Only" area on the financing section of the West Virginia SBA web page. For access, go to www.sba.gov/wv/WV_WVFINANCING.html.

Please let us know if you would like to see additional items in this area. You can call or email Dave Manley (304-623-5631 ext. 231 – email: david.manley@sba.gov) with your recommendations.

SBAExpress

Has your bank applied to be a SBAExpress lender yet? Don't miss this great opportunity to get a 50 percent guarantee from the SBA, use



your own loan procedures, mostly your own forms, and your own collateral policy (for loans up to \$150,000). SBAExpress maximum loan amounts can be up to \$350,000. With

SBAExpress, you can make revolving lines of credit and collateral is not required for loans under \$25,000. For more information, contact Dave Manley (david.manley@sba.gov) at (304) 623-5631 ext. 231.

KEY SBA INFORMATION

Maximum Guaranty Percentages

Regular 7(a) loans of \$150,000 or less	85%	SBAExpress (\$350,000 maximum)	50%
Regular 7(a) loans greater than \$150,000	75%	SBA ExportExpress (\$350,000)	85/75%
Export Working Capital Program	90%		

Guaranty Fees on loans exceeding 12 months in maturity. The Lender pays the fee and may pass it on to the borrower after first disbursement.

	<i>Based on SBA Guaranteed Portion</i>	<i>Based on Total Loan with Standard SBA Guarantees</i>	<i>Based on Total Loan with Express</i>
Loans of \$150,000 or less (Lender may keep .25% of fee)	2.00%	1.70%	1.0%
Loans between \$150,001 & \$700,000	3.00%	2.25%	1.5%
Loans greater than \$700,000	3.50%	2.625%	n.a.

Loans with a guaranteed portion in excess of \$1 million add an additional **.25%** guaranty fee on that portion.

The guaranty fee on a \$2,000,000 SBA loan is now \$53,750.

Guaranty Fee on all loans up to 12 months in maturity is only .25%, but must be submitted with the application

Lender Annual Service Fee: .55% of the outstanding balance of the SBA guaranteed portion of the loan. The fee is prorated and submitted monthly with your 1502 report (See Colson Services below for contact information). This fee may not be passed on to the borrower.

Interest Rate Limits

Term less than 7 years	WSJ Prime + 2.25%
Term of 7 years or more	WSJ Prime + 2.75%

Loan of \$25,000 or less	May add 2%
Loan of \$25,001 to \$50,000	May add 1%

SBAExpress limits are:

Prime rate + 4.5% for loans over \$50,000

Prime rate + 6.5% for loans of \$50,000 or less

West Virginia District Office Finance Division Staff

	Telephone	Individual Fax	e-mail addresses
David Manley	(304) 623-5631, ext 231	(202) 481-2617	david.manley@sba.gov
Naomi Bassel	(304) 623-5631, ext 225	(202) 481-4718	naomi.bassel@sba.gov

Key Web Sites

SBA Lender Homepage	www.sba.gov/banking
West Virginia District Office Homepage	www.sba.gov/wv/
SIC, NAICS codes and Size Standards	https://eweb1.sba.gov/naics
Franchise Registry Homepage	www.franchiseregistry.com/registry/
Immigration and Naturalization	www.ins.usdoj.gov/graphics/formsfee/forms
Exporting	www.export.gov

Important Addresses

West Virginia District Office
320 West Pike Street, Suite 330
Clarksburg, WV 26301
(304) 623-5631
Fax (304) 623-0023

Guaranty Fee Payments
Small Business Administration
Denver, CO 80259-0001

**Sacramento Loan
Processing Center
(PLP and SBAExpress)**
U.S. Federal Courthouse
501 I St., Suite 12-100
Sacramento, CA 95814-2322
Fax (916) 930-2160

Colson Services
150 Nassau St.
New York, NY 10038
(212) 266-7998
(212) 266-7828 (1502 HELP)

**Little Rock Commercial
Loan Servicing Center**
2120 Riverfront Dr., Ste100
Little Rock, AR 72202
(501) 324-5871
Fax (501) 324-6072
Lrsc.servicing@sba.gov

**National Guaranty
Purchase Center**
1145 Herndon Parkway
Herndon, VA 20170
(703) 487-9283
Fax (202) 481-4674
loanresolution@sba.gov
Hours: Monday to Friday
7:30 a.m. to 6:30 p.m.